

<b>Maricopa County Policies and Procedures</b>	<b>Subject:</b> Policy for Administering Grants	Number: A2505 Issue Date: 02/97
<b>Approved: David Smith</b>	<b>Initiating Department:</b> Department of Finance	

## **A. Introduction**

Maricopa County receives significant funding from federal, state and local agencies annually; however, it does not have a formal Policy to follow when applying for and receiving grant funds. In order to ensure that the County is fully and timely reimbursed for all allowable expenses associated with grants, it is imperative that Responsible Departments negotiate to consistent goals, closely monitor their expenditures and claim reimbursement in a consistent and timely manner.

This Policy shall serve as the framework for Responsible Departments to follow when applying for grants and negotiating the terms and conditions of the agreements. This Policy is not intended to discourage Responsible Departments from seeking grant funding as a means to support various services and programs. Rather, it is intended to provide consistent guidelines for grant administration to ensure optimum financial arrangements for Maricopa County and to enhance Board acceptance of grants conforming to this Policy.

## **B. Definitions**

Dept. Overhead - refers to departmental costs incurred for the joint benefit of both grant and non-grant programs.

Grantor Agency - refers to a federal, state, local or private agency or organization which provides the grant funding and/or grant funding oversight.

One-time Grants - refers to funding from a Grantor Agency which is provided for a limited duration for a specified project or program. This type of grant may be provided to start a new program or service or for a program or service which has a limited life.

Ongoing Grants - refers to funding from a Grantor Agency which is expected to be provided year after year for a specified program(s) or service(s).

Overhead (A-87) - refers to costs, benefiting both grant and non-grant activities, allocated by the Department of Finance to all non-General Fund departments. An allocation is also calculated for Responsible General Fund departments to be included in departmental overhead.

Responsible Dept - refers to the department, office or agency under budgetary responsibility of the Board of Supervisors, which has direct oversight responsibility for the program(s) funded partially or totally with the grant funds. The elected official or department director of the Responsible Department shall act as the agent of the County for purposes of this policy.

## **C. Implementation**

This policy will take effect immediately. Provisions under sections titled "FUNDING" and/or "OVERHEAD/INDIRECT COSTS (A-87 CHARGES)" will not apply to 1995-96 grants if the grant has already been submitted and/or approved by the Grantor

Agencies. Grants which are in the application or negotiation stage of the process may continue; however, final acceptance of the grant must be approved by the Board.

#### **D. Grant Submittal**

1. While all grants must be accepted by the Board of Supervisors before funding can be expended, grant applications which fully comply with this Policy do not require Board approval at the time of submission for funding. Except as noted Sections D(1) and (2), applications for funding which deviate from this Policy (for any reason) shall require Board approval prior to submission. The County Administrative Officer may approve exemptions to this policy with regards to indirect cost reimbursement. **EXCEPTION:** The Board of Supervisors shall be notified by any affected Responsible Department in an annual or more frequent presentation of their intent to apply for all ongoing grants which deviate from this Policy, the nature of the deviation(s) and the reason for it (i.e. the grantor agency or the terms of a specific grant prohibit charging overhead, etc.). Once acknowledged and approved by the Board that it continues to support applying for such grants(s), the Responsible Department will not be required to obtain Board approval prior to the submission for continued like funding from the same Grantor Agency. Nothing contained within this Section shall preclude a Responsible Department from seeking approval for both the submission and acceptance of award at the pre-submission stage, provided that all terms of the grant are consistent with the information presented to the Board.
2. Grants for the Judicial Branch in Maricopa County will be identified by the Presiding Judge of the Superior Court in an annual presentation to the Board of Supervisors. The presentation will reference the individual grants, and whether any of the provisions of the grants deviate from this Policy. After these grants have been reviewed and accepted by the Board of Supervisors, subsequent grants for that fiscal year from the same Grantor Agency with like provisions do not require the Board's review and acceptance of the grant. Subsequent grants from a new Grantor Agency will be transmitted to the Board of Supervisors for review and acceptance.

#### **E. Funding**

To improve cash management practices, it is the County's preference to receive funding on an advance basis instead of a reimbursement basis. Therefore, every effort is to be made by Responsible Departments to obtain advance funding from the Grantor Agency. This is especially critical for one-time grant funded programs/activities and where the County is advancing funds to nonprofit subcontractors. Responsible Departments with existing grant agreements are to contact their Grantor Agencies and attempt to renegotiate the terms of these agreements. Upon request, the Department of Finance will assist in negotiations with Grantor Agencies.

If funding is to be provided on a reimbursement basis, Responsible Department staff will note this in any submittal or correspondence to the Board of Supervisors. The Board may request staff to present the cost/benefits of accepting a reimbursement grant versus not accepting a particular grant. The cost/benefit analysis will take into account if the grant funded services are mandated. The analysis should also consider

the impact of indirect cost recovery and advance funding requirements on the competitiveness in obtaining grant funding.

One-time Grants which are actually start-up grants for new programs or services will be so noted in the submittal to the Board of Supervisors. Program costs which Responsible Departments wish to continue once the grant funding has been depleted will be identified and reported to the Board of Supervisors at the time of submittal for consideration. The Responsible Department will present adequate analysis and information to the Board of Supervisors to assist the Board in deciding whether the County should fund expenses for the project or program from other County funds following the depletion of the grant funds.

Whenever permitted by the Grantor Agency, grants requiring County matching funds will first use County Overhead (A-87) as a match. If the required match exceeds County Overhead (A-87) or Overhead is not an allowable expense by the Grantor Agency, the Responsible Department shall inform the Board of Supervisors of the exception and estimate the relative financial in-kind impact.

#### **F. Claiming**

Responsible Departments will provide to the Department of Finance a copy of the grant agreement, including the award amount. Responsible Departments will record and track grant revenues and expenditures. Responsible Departments shall submit claims for either an advance or reimbursement to the Grantor Agency as frequently as permitted under the grant agreement. Ideally, this will be no less frequent than monthly. At grant year end, each Responsible Department shall close out its respective grants. This includes preparing and submitting any required final reports to the Grantor Agency and either returning excess funds or requesting final reimbursement for the grant year. A copy of the final report shall be provided to the Department of Finance.

#### **G. Overhead/Indirect Costs (A-87 Charges)**

Annually, the Department of Finance will prepare or cause to be prepared a cost allocation plan consistent with Federal Circular A-87. The Department of Finance and the Office of Management and Budget will inform each Responsible Department of their share of the A-87 charges for that particular fiscal year. Generally, grants are to financially support 100% of their A-87 charges. On a year-by-year basis, a Responsible Department may request that the Board of Supervisors waive all or a portion of their A-87 charges for that fiscal year, for all or specific grantor agencies. (A waiver or disallowance of A-87 charges results in a General Fund subsidy for paying the support costs for the grant funded program.)

#### **H. Purchase of Computing and Network Systems**

To ensure compatibility and supportability of the County computing and network infrastructure, Responsible Departments are to consult with and obtain approval from the Chief Information Officer prior to purchasing any desired equipment. This applies to hardware, software and communications technologies including data, voice, video, image radio telemetry and facsimile purchased under the provisions of the County's Procurement Code. Departments in the Judicial Branch of Maricopa County will

consult with the Chief Information Officer prior to any purchases under the Judicial Procurement Code to determine whether the purchase will require compatibility and supportability of the County computing and network infrastructure.

#### **I. Accounting for Grant Funded Programs**

Effective July 1, 1995, each department will have its own fund designated for grant activities. This will permit both the Responsible Department and the Department of Finance to readily identify the cash balance of grant funded programs at any point during the fiscal year.

#### **J. Grant Monitoring by Department of Finance**

The Department of Finance will monitor grant expenditures and revenues on a regular basis. At a minimum, the Department of Finance will:

1. prepare and provide to the Responsible Departments a quarterly grant schedule. This schedule will include year to date revenues and expenditures and inception to date receivable or deferred revenue balance for each individual grant.
2. ensure that grant expenditures do not exceed grant awards or available funding if balances are carried forward from a preceding year. This expenditure limit will be noted on the grant schedule and any grant that approaches the maximum available funding will be immediately identified. The Responsible Department will be contacted and all grants which are projected to exceed the expenditure limit will be reported to them and the Board of Supervisors.
3. examine individual grant balances on a monthly basis to identify departments that are not requesting reimbursement from the Grantor Agency on a monthly basis. Responsible Departments which are not regularly claiming reimbursements will be contacted by the Department of Finance and directed to submit the appropriate documentation to the Grantor Agency.
4. examine the final reports submitted by the Responsible Departments to ensure that indirect costs either identified in the County's A-87 Plan or approved by special action by the Board of Supervisors are being reported to and reimbursed by the Grantor Agency.

#### **K. General Support from the Department of Finance**

While each Responsible Department has staff assigned to monitor and report the financial activities of grants, the Department of Finance will provide general and technical oversight and monitoring of all grant funds.